

BUSINESS AND ECONOMIC DIGEST

Business-Industrial Resume.

NEWS from the business world during the last week has had a decidedly more optimistic tone has prevailed for some time past. It is very difficult to put one's fingers on exactly the reason for this change. Probably the developments in the foreign situation have had more to do with it than any other one thing.

German Indemnity.

The new indemnity offer by Germany, although still regarded as unacceptable, has cleared the situation very much. It is understood that the German offer includes the agreement to pay the allies 200,000,000,000 gold marks, or only 26,000,000,000 marks less than demanded in the Paris terms. This is a considerable advance over the previous German offer and it is felt that ultimately a basis of agreement will be reached.

Foreign Settlement Imperative.

It is becoming more and more evident that the road back to business "normalcy" leads through Europe. Those who would maintain our splendid isolation politically find that economically we are inextricably mingled with European affairs. It should be clear even to the most rabid irreconcilable that our whole industrial fabric is marking time until Europe adjusts its affairs. Our exports dropped off more than \$100,000,000 last month and nearly 50 per cent of this decline was in our trade with Europe.

There is a homely saying that the safest way to deal with a mule is to keep so close to him that he cannot kick you. There is little doubt but that if the United States had been adequately represented in European councils the trouble over the diminutive Island of Yap would have been avoided. What effect our powerful stabilizing presence would have had on an early European settlement can well be imagined. The most important problem for the present administration is to find some means of gracefully taking our proper place in the deliberations of the world's nations.

British Strike Developments.

Toward the end of the week a settlement of the English coal strike appeared more likely than at any time since its beginning. The British government has agreed to insure the miners against wage reduction of more than 3s per day during the next three or four months. As the miners have already agreed to a reduction of 2s it is considered that there are good prospects for a settlement of the dispute during the coming week.

Steel Outlook Improved.

The steel industry recovered somewhat from the pessimism which followed the failure of price cuts to stimulate business. The demand is still low, but inquiries are more abundant. The improved conditions in the automobile trade now give signs of being more than a flurry. A good portion of the present demand for steel is coming from this industry. Oil companies have also been buying larger quantities of plates for tanks, and greater quantities of oil pipe. Building and construction operations are making slightly larger demands, but as a whole this movement continues to be disappointing. Railroad orders cannot be expected to figure prominently until the rate and wage question has been settled.

Railroad Loadings Increase.

Reports made public during the week show that the number of loaded freight cars for the week ending April 16 amounted to 703,896, or an increase of 10,000 over the preceding week. The increased loadings are concerned chiefly with coal, of which the production is apparently slowly increasing. Loadings of other merchandise and general freight remain about stationary.

Insistent demands have been made during the week for a decrease in the freight rates, and more and more evidence is being brought out to show that these rates are responsible for much of the difficulty in which the farmers find themselves.

Threats of Two Strikes.

The threatened strike of marine unions is still a serious menace to shipping. Admiral Benson has outlined a plan whereby there would be a minimum decrease of 15% in base pay, elimination of overtime work and readjustment of working rules. Representatives of the marine unions have consistently refused to consider a reduction in wages.

Another threatened strike is that of paper mill operatives whose agreements expire between May 1 and May 11. Unless some agreement can be reached within the next few days there is danger of tying up the whole newsprint production of the country. The question involved is largely a matter of wages.

Chamber of Commerce Meeting.

The annual meeting of the United States Chamber of Commerce at Atlantic City has brought forth a large amount of valuable discussion upon current problems. The general tenor of the several hundred addresses made before sections of this body is that the cost of production must be lowered, the

PENNSYLVANIA CUTS DIVIDEND TO 4%.

At the regular dividend meeting of the Pennsylvania Railroad directors, a dividend of 1 per cent, or 50 cents a share, was declared, instead of the usual quarterly dividend of 1½ per cent. This is the lowest rate since 1889, but in view of the readjustment period through which the railroads are passing, the opinion was expressed that the reduction in rate might be regarded as temporary. Cash dividends since 1874 have averaged 6.01 per cent on par value of the stock. The highest rate paid in any year was 10 per cent and the lowest 2 per cent, this latter being paid in 1878 following the steel riots. Dividends paid in calendar year 1896, first year of payments, totaled \$875,233, while in 1920 they totaled \$29,950,404.

Imports of Raw Material Exceed Exports.

The Department of Commerce has issued its usual statement on our foreign trade in March by commodity groups which shows that exports of manufactured articles ready for consumption amounted to only \$158,000,000 compared to \$218,000,000 in February and \$290,000,000 a year ago. All other groups with the exception of re-export showed a decline in March compared with the preceding month. Crude foodstuff was the only group which increased over March a year ago. Exports of crude material for manufacturing purposes declined \$156,000,000 or 70 per cent compared with March, 1920.

Imports showed an increase in every group compared with the preceding month, but a marked drop when compared with a year ago.

The following table gives the figures for March, 1921, the preceding month, and the corresponding month a year ago. All figures are in thousands of dollars, three ciphers omitted.

| EXPORTS. | | | |
|--|----------------|-------------------|----------------|
| Group | March 1921. | February 1921. | March 1920. |
| Crude material for use in manufacture..... | \$69,164 | \$85,164 | \$225,083 |
| Foodstuffs in crude cond. and food animals.... | 52,712 | 60,748 | 49,819 |
| Foodstuffs partly or all manufactured | 56,554 | 63,325 | 136,389 |
| Manufs. for further use in manufacture..... | 32,618 | 45,271 | 100,086 |
| Manufs. ready for consumption | 157,645 | 218,283 | 289,716 |
| Miscellaneous | 769 | 902 | 1,825 |
| Foreign | 17,348 | 15,604 | 16,637 |
| Total | \$368,811 | \$489,297 | \$819,556 |
| IMPORTS. | | | |
| Group | March 1921. | February 1921. | March 1920. |
| Crude material for use in manufacturing.... | \$81,417 | \$73,673 | \$216,641 |
| Foodstuffs in crude cond. and food animals.... | 29,454 | 27,334 | 52,522 |
| Foodstuffs partly or all manufactured | 51,653 | 37,988 | 97,384 |
| Manufs. for further use in manufacturing | 31,257 | 28,940 | 79,852 |
| Manufs. ready for consumption | 55,781 | 44,798 | 72,983 |
| Miscellaneous | 2,496 | 1,791 | 4,539 |
| Total | \$251,980 | \$214,525 | \$523,923 |

railroad problem must be settled, that business must be allowed to work out its own salvation unhampered by unnecessary and restrictive legislation, and that tax and tariff measures must be based upon sound business principles. The resolution adopted by the chamber on the tariff question recommends that permanent legislation on this subject should be so framed as to permit adjustments of individual rates, or schedules within certain limitations without a general revision of the tariff and in this way to afford a reasonable latitude in the application of such rates in accordance with the fluctuation of industrial and trade conditions. Such legislation would create a necessity for a permanent tariff readjustment board which has been widely advocated by many business men.

Dumping and Valuation Revision.

One of the most important developments in Congress during the week has been the action of the Senate Finance Committee in rewriting the sections of the emergency tariff bill, dealing with anti-dumping and foreign valuation. Both of these measures have been entirely recast using the Smoot antidumping bill as a basis for the former and providing that the Secretary of the Treasury is to decide upon what merchandise is being sold in the United States at a price less than its fair value.

The valuation bill has been changed by cutting out the limit of depreciation of foreign currencies as fixed by the House at 66 2-3% and authorizing the Treasury Department to impose ad valorem duties on the date of exportation.

Immigration Below 1914 Level.

Steering passenger traffic on the Atlantic is being closely watched for its bearing on immigration legislation pending in Congress. Figures tabulated by the trans-Atlantic passenger lines show that immigration was less heavy up to April 15 of this year than during the corresponding period in 1914. As compared with last year, however, it shows considerable gain.

Following table gives comparisons of steering passenger movement in and out of Atlantic ports, as tabulated by the trans-Atlantic passenger lines:

| | 1921 | 1920 | 1914 |
|---------------|-------------------|------------------|-------------------|
| Inward..... | 3½ months 150,000 | 3½ months 72,000 | 3½ months 218,000 |
| Outward..... | 67,000 | 68,000 | 111,000 |
| Net gain..... | 83,000 | 4,000 | 107,000 |

Steering traffic has varied greatly from month to month recently, so it is impossible to forecast accurately total number of immigrants that will be brought in this year. If the present rate is maintained 517,000 will take passage for the United States. However, it is believed that as reports of depression and unemployment in this country reach Europe there will be pronounced falling off in steering traffic.

Under the proposed immigration bill only 3 per cent of the nationals of each country resident in the United States in 1910 would be admitted during the coming year, or a total of 325,000. Steamship lines have estimated that they can carry between 730,000 and 850,000 steering passengers in a year with their present tonnage.

Several considerations are taken into account by students of the immigration situation. A large proportion of inward bound steering passengers are women and children, the families of immigrants already well established in this country, whereas adult males form by far the bulk of outward bound

Big Increase in Petroleum Output

The Geological Survey reports that during March the United States produced the greatest quantity of petroleum ever recorded for any one month, amounting to 49,802,000 barrels, and, although the daily rate of consumption increased slightly, stocks of crude oil were increased by more than 8,000,000 barrels. Since the first of the year stocks have increased more than 17,000,000 barrels.

The daily average production of 1,316,193 barrels increased 53,756 barrels as compared with February, and 160,354 barrels as compared with March a year ago. For the first quarter of 1921 preliminary figures show a production of more than 114,000,000 barrels, which is an increase of over 11,000,000 barrels as compared with the first quarter of 1920.

Imports for March, amounting to 12,303,114 barrels, show a falling off in daily average as compared with February of 9,705 barrels. However, for the first three months of the year imports increased more than 19,000,000 barrels as compared with the similar period of 1920.

Germany's Foreign Trade.

Figures recently published by the German statistical office show the amount and distribution of Germany's foreign trade for the first nine months of 1920. The following table compares the value of exports to each country during the first eight months of 1920 with the first eight months of 1913, the value being given in millions. The figures in brackets show the percentage of the whole export to all countries for the periods in question.

| | 1920 | 1913 |
|--------------------------------------|----------------|----------------|
| | Paper Marks | Gold Marks |
| Holland | 3,645.9 (23.2) | 469.4 (6.3) |
| Switzerland | 3,752.2 (23.5) | 357.4 (5.3) |
| Sweden | 2,852.2 (18.1) | 153.2 (2.3) |
| Norway | 1,222.6 (7.8) | 107.8 (1.6) |
| Denmark | 2,505.5 (15.8) | 189.3 (2.8) |
| Finland | 700.0 (4.4) | 65.0 (1.0) |
| Spain | 1,023.8 (6.5) | 95.4 (1.4) |
| Austria-Hungary | 3,152.8 (19.9) | 726.6 (10.9) |
| (former territory) | 462.0 (3.0) | 208.5 (3.1) |
| Balkans and Turkey | 1,009.6 (6.4) | 536.8 (8.2) |
| Russia and Poland | 2,600.9 (16.5) | 968.8 (14.3) |
| (old territory) | 1,230.4 (7.9) | 526.6 (7.8) |
| Great Britain | 1,267.2 (8.0) | 367.3 (5.4) |
| France | 1,192.5 (7.7) | 262.3 (3.9) |
| Italy | 2,084.2 (13.3) | 40.6 (0.6) |
| Other European Countries | 2,946.2 (18.7) | 475.4 (7.1) |
| United States | 4,073.2 (25.8) | 1,137.9 (16.9) |
| Other extra-European countries | 2,946.2 (18.7) | 1,137.9 (16.9) |

This table shows that German exports to entente countries, which amounted to 31.4 per cent of the whole export trade in 1913, had fallen to 15.5 per cent.

Foreign Exchange for the Week.

| | Unit | Par | High | Low | Year Ago |
|-------------|------------|--------|--------|--------|----------|
| England | Pound... | 4.9405 | 3.9500 | 3.8200 | 3.7475 |
| France | Franc... | 1930 | .0770 | .0728 | .0618 |
| Belgium | Franc... | 1930 | .0764 | .0739 | .0649 |
| Italy | Lira... | 1930 | .0488 | .0465 | .0438 |
| Germany | Mark... | 2382 | .0155½ | .0144 | .0174 |
| Switzerland | Franc... | 1930 | .1745 | .1730 | .1779 |
| Holland | Guilder... | 4920 | .3504 | .3478 | .3620 |
| Spain | Peseta... | 1930 | .1394 | .1385 | .1701 |
| Sweden | Krona... | 2980 | .2301 | .2290 | .2100 |
| Norway | Krone... | 2930 | .1563 | .1549 | .1925 |
| Denmark | Krone... | 2980 | .1808 | .1790 | .1710 |
| Canada | Dollar... | 1.0000 | .9938 | .9900 | .9175 |